

Message Text

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FM SECSTATE WASHDC

TO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS

TREASURY

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMCONSUL DANANG

AMCONSUL HONG KONG

AMCONSUL NHA TRANG

USDEL JEC PARIS

INFO USSAGE NKP

CINCPAC HONOLULU

COGARD

XMT AMEMBASSY SUVA

AMEMBASSY RANGOON

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COGARD FOR POLAD

E.O. 11652: N/A

TAGS: PFOR, XC, US

SUBJECT: OCTOBER 15 EA PRESS SUMMARY

1. INDOCHINA

NYT ARTICLE DATEDLINE SAIGON REPORTS GVN DENIES VISA
TO NYT'S SCHANBERG AND LE MONDE'S POMONTI BUT PRESS
OFFICIALS GIVE NO REASON. NOTES POMONTI JUST PUBLISHED
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BOOK, "LA RAGE D'ETRE VIETNAMIEN." SAYS NYT HAS TWO

SAIGON-BASED STAFF CORRESPONDENTS AND THAT SINGAPORE-BASED SCHANBERG WAS ISSUED VISAS IN 1973 AFTER EARLIER REFUSAL; BUT LATEST APPLICATION REFUSED TWICE WITHOUT EXPLANATION. ARTICLE COMMENTS THAT VISA DENIAL COMES AS COUNTERPOINT TO GVN APPARENT EFFORT TO AVOID ADVERSE REACTION FROM CONGRESS. POINTS OUT THAT GVN RECENTLY HAS BEEN FAIRLY LIBERAL ABOUT ALLOWING IN US NEWSMEN - EVEN THOSE WHOSE REPORTING IT DISLIKES - WITH EXCEPTION OF LAT'S LESLIE WHO WAS EXPELLED AFTER WRITING ABOUT GVN OFFICIALS' COMPLICITY IN BRASS-SMUGGLING. SAME SUBJECT, DETAILED YEAR LATER BY LOCAL PAPERS, RESULTED IN ARREST OF CORRUPT OFFICIAL, STORY SOURCE AND VIET REPORTER. ARTICLE SEES THIS AS ONE OF MAJOR INCIDENTS LEADING TO CURRENT WAVE OF PROTEST AND DEMONSTRATIONS AGAINST CENSORSHIP.

PICKING UP GROWING ANTI-GVN SENTIMENT IN SAIGON, VC

PLEDGES TO NEGOTIATE FINAL PEACE IF "THIEU IS OVERTHROWN" (S-N 10/11).

NYT'S SHIPLER IN SAIGON DESCRIBES IT AS CITY OF STREET GAMES. CHILDREN PLAY WITH WHAT THEY HAVE, MAKING INGENIOUS GAMES OF SIMPLEST INGREDIENTS: SANDALS AND RUBBER BANDS, CANS AND BOTTLE CAPS, CHOPSTICKS AND COINS, CORNCOBS AND STICKS, MARBLES AND STONES AND BROKEN PIECES OF BRICK. SOCCER IS POPULAR, AND WAR CREEPS INTO STREET PLAY IN FORM OF COMBAT GAMES.

UPI GUAM REPORTS THAT EX-POW KAY PRAISED NIXON'S INDOCHINA POLICY, SAID EX-PRES WAS TOUGH WHEN NECESSARY "TO GAIN OUR NATIONAL RESPECT AND TO RETAIN OUR POSITION IN THE WORLD" (CHITRIB).

2. JAPAN

NYT'S HALLORAN, IN TOKYO, REPORTS NUKE'S ISSUE "APPEARS TO BE BLOWING UP INTO A POLITICAL STORM," WITH KIMURA COMING UNDER VIGOROUS ATTACK IN DIET MONDAY AS MEMBERS OF HIS OWN AND OPPOSITION PARTIES POSED QUESTIONS.

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HALLORAN SAYS, "DESPITE GROWING EVIDENCE THAT THE US HAS" BROUGHT NUKE'S IN, KIMURA ASSERTED THERE IS NO WRITTEN OR ORAL AGREEMENT PERMITTING IT WITHOUT GOJ'S APPROVAL. NOTING 1969 NSSM "CLEARLY STATES" THERE IS "TRANSIT AGREEMENT" ALLOWING US TO BRING NUKE'S INTO JAPAN TEMPORARILY BUT NOT TO DEPLOY THEM THERE, HALLORAN OBSERVES THAT DOS "HAS APPARENTLY SWITCHED ITS STAND" ON WHETHER TRANSIT AGREEMENT

EXISTS -- HAVING CATEGORICALLY DENIED IT IN 1971 BUT
NOW APPARENTLY NEITHER CONFIRMING NOR DENYING AGREEMENT
EXISTS. CITES REPORTS THAT MIDWAY CREWMEN HAVE
ASSERTED SHIP CARRIES NUKES, AND HAVE PROVIDED
CONSIDERABLE DETAIL ABOUT APPEARANCE OF NUKES AND
SECURITY MEASURES TAKEN TO GUARD THEM.

OBERDORFER (WP) OBSERVES THAT DURING KIMURA'S THREE-HOUR
DIET QUESTIONING HE "CONCEDED IT WAS IMPOSSIBLE" FOR
JAPAN TO CHECK CARGO OR EQUIPMENT OF US WARSHIPS ENTERING
JAPANESE PORTS. WHILE HEAVY PRESS CONCENTRATION ON
NUKES ISSUE SLACKENED SOME AS TERRORIST BOMBING OF
MITSUI OFFICES DOMINATED FRONT PAGES AND TV BROADCASTS,
"THERE IS NO INDICATION" CONTROVERSY HAS ENDED. BOTH
USG AND GOJ OFFICIALS IN TOKYO CONTINUE CONCERNED,
PARTICULARLY IN VIEW OF PLANNED FORD VISIT.

MITSUI EXPLOSION RECEIVES CONSIDERABLE COVERAGE;

MITSUBISHI OFFICE ALSO HIT BY BOMBS AUG. 30 (AP PHINQ,
NYDN, SUN; GLOBE'S STORIN; NYT; WP). CHITRIB'S YATES
IN TOKYO REPORTS MITSUI BLAST TOUCHED OFF NEW CONCERN
FOR SAFETY OF PRES FORD. POLICE SAID THEY KNEW
NOTHING ABOUT "ASIA CONTINENT DEVELOPMENT ORGANIZATION" --
GROUP THAT ALLEGEDLY PLANTED BOMB; SPECULATION WAS THAT
IT IS YET ANOTHER RADICAL SPLINTER GROUP.

GOJ OFFICIAL ANNOUNCES MUTSU WILL RETURN TO HOME PORT
FOLLOWING AGREEMENT BETWEEN FISHERMEN'S REPS AND LOCAL
AND STATE OFFICIALS (REUTER SUN).

EBERLE, IN TOKYO, INDICATES ADMIN IS UNCONCERNED ABOUT
ALLEGED JAPANESE EXPORT DRIVE TO MAKE GAINS IN FOREIGN
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MARKETS, INCLUDING US. DECLARED HE HAD NOT EVEN
DISCUSSED US-JAPAN TRADE DURING HIS MONDAY VISITS WITH
GOJ CABINET OFFICERS, ADDING: "THERE IS NOTHING TO INDICATE
DUMPING OR SUBSIDIES AT THIS TIME." SAID US IS
SATISFIED WITH JAPANESE COOPERATION ON OIL QUESTION
(HALLORAN). WP ITEM REPORTS EBERLE ASSURED GOJ IT
CAN COUNT ON ITS AGREED, NORMAL REQUIREMENTS OF
FOOD IMPORTS DURING 1974 CROP YEAR. US DOES NOT
INTEND IMPOSING GENERAL CONTROLS OVER FOOD EXPORTS
AND HAS ONLY RECENTLY STARTED MONITORING THEM TO
INSURE THERE WILL BE ENOUGH GRAIN FOR TRADITIONAL
BUYERS.

YASHICA SAYS IT PLANS TO CLOSE ONE OF ITS TWO PLANTS
AND REDUCE TOTAL WORK FORCE ABOUT 40 PER CENT (WSJ).

TOYOTA TO BEGIN MARKETING NEXT MONTH IN JAPAN,
THROUGH 281-DEALER SALES NETWORK, LARGE-SIZE GE
REFRIGERATOR-FREEZERS (WSJ).

3. KOREA

ANTI-GOVT STUDENT PROTESTS SPREAD MONDAY TO KWANGJU
AND PUSAN; IN SEOUL, ABOUT 1,000 STUDENTS AT KONKOOK
U AND 200 AT TONGKOOK U DEMONSTRATED (AP PHINQ, WP).

IN MONDAY CLOSING ARGUMENTS, PROSECUTION DEMANDED
DEATH PENALTY FOR MUN SE KWANG, ACCUSED IN PARK
ASSASSINATION ATTEMPT; COURT SAID IT WILL RETURN
VERDICT AT NEXT SESSION, SCHEDULED TO BEGIN OCT. 19
(CHITRIB).

KOREAN EXCHANGE BANK COULD LOSE MUCH AS 25 MILLION
DOLS IN COLLAPSE OF SAKAMOTO SPINNING CO. -- JAPANESE
TEXTILE CONCERN WITH TWO SK SUBSIDIARIES; SUCH LARGE

LOSS POSSIBILITY WORRIES SOME US AND JAPANESE BANKERS
WHO HAVE MADE OTHER LARGE LOANS TO SK FIRMS AFTER GETTING
GUARANTEES FROM KOREA EXCHANGE BANK. SK FINANCE
MINISTER MADE HURRIED NY TRIP EARLY THIS MONTH TO
REASSURE US BANKERS; BUT SOME INDICATE THEY WON'T TAKE
ADDITIONAL GUARANTEES FROM EXCHANGE BANK UNLESS ROKG
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SUBSTANTIALLY INCREASES BANK'S TOTAL CAPITALIZATION
(WSJ, OCT. 14).

WP CARRIES FULL-PAGE AD TOUTING REV. MOON'S OCT 16
CONSTITUTION HALL APPEARANCE.

4. CHINA

UPI (HK) REPORTS TENG HSIAO-PING TOLD GROUP OF VISITING
CANADIANS THAT PRC WILL BRING THREE SOVIET HELICOPTER CREWMEN
CAPTURED IN MARCH TO TRIAL ON CHARGES OF ESPIONAGE
(WP, CHITRIB). TOM GOULD, ONE OF CANADIANS, REPORTED
GROUP INFERRED TRIAL WILL BE MERE FORMALITY TO PASS
SENTENCE, SINCE TENG SAID CREWMEN WERE "GUILTY."
GOULD ALSO SAID PRC LEADERS TOLD HIM THEY WILL RESUME
GRANTING US NEWSMEN VISAS WITHIN NEXT FEW MONTHS;
REPORTED CHINESE EXPLAINED THAT TEMPORARY HOLDUP WAS
NOT MATTER OF POLICY BUT OF NECESSITY, SINCE FLOOD
OF VISITORS FROM OTHER FIELDS AND COUNTRIES HAD CAUSED
ACUTE LACK OF INTERPRETERS AND OTHER FACILITIES (WP).

FOLLOWING RECENT PRC VISIT, SEN. FONG REPORTS TWO OFF-

BEAT OBSERVATIONS: DRESS STYLES HAVE NOT CHANGED SINCE COMMUNIST TAKEOVER; AND, "I HAD BEEN TOLD THERE WERE NO FLIES IN CHINA, BUT I SAW AT LEAST FIVE OF THEM" (NYT).

ACCORDING TO CHIEF MINISTER OF INDIA'S NAGALAND PROVINCE, LARGE GROUP OF YOUNG SEPARATISTS HAS LEFT FOR CHINA, APPARENTLY TO RECEIVE GUERRILLA WARFARE TRAINING AND WEAPONS (CSM).

WP AD NOTES LISNER AUDITORIUM APPEARANCE OF NATIONAL OPERA THEATRE FROM ROC SCHEDULED FOR OCT 18.

5. INDONESIA

WSJ (OCT 14) REPORTS LENGTHY STUDY BY STANFORD RESEARCH

INSTITUTE CONCLUDES THAT INDONESIA "OFFERS INTERNATIONAL BUSINESS SOME OF THE MOST ATTRACTIVE INVESTMENT OPPORTUNI- UNCLASSIFIED

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TIES IN THE DEVELOPING WORLD." CLAIMS THAT AMONG MANY STRENGTHS THAT CAN BE BUILT ON BY INVESTORS WILLING TO RISK PUTTING THEIR MONEY INTO INDONESIA ARE: STABLE GOVT WITH POPULAR LEADERS; AN ALMOST INFINITE SUPPLY OF UNSKILLED BUT TRAINABLE LABOR; SUPERIOR CADRE OF TOP-LEVEL TECHNOCRATS; LOWEST BASE-LABOR RATES IN SEA; OPEN MIND ON FUNDAMENTAL INVESTMENT POLICIES AMONG GOVT DECISION-MAKERS; AND LIBERAL TREATMENT OF LABOR- INTENSIVE EXPORT PRODUCERS. AMONG DRAWBACKS TO INVESTING IN INDONESIA ARE OVERCROWDED PORT FACILITIES; EXCEEDINGLY COMPLEX LAWS AND REAL-ESTATE PROCEDURES; OFTEN POOR COORDINATION BETWEEN GOVT MINISTRIES; "TERRIBLE" TELEPHONE SERVICE; AND "UNUSUALLY HIGH LIVING COSTS FOR EXPATRIATE PERSONNEL."

6. SINGAPORE

SCHANBERG (NYT), IN SINGAPORE, REPORTS OPENING MONDAY OF TRIAL THAT COULD PROVIDE RARE GLIMPSE INTO GOS TIGHTLY-CONTROLLED POLITICAL SYSTEM, WHERE OPPOSITION PARTY "IS SO STIFLED THAT IT IS NEARLY MORIBUND." CASE BEING BROUGHT BY ONE OF "POWERLESS OPPOSITION GROUPS," WORKERS PARTY, WHICH HAS ACCUSED BROADCAST DEPT. AND AN MP OF LIBEL AND SLANDER -- DEPT FOR HAVING BROADCAST DURING 1972 ELECTION, AND PEOPLE'S ACTION PARTY CANDIDATE TAY BOON TOO FOR HAVING CHARGED, THAT WORKERS PARTY RECEIVED CAMPAIGN FUNDS FROM FOREIGN SOURCES.

SCHANBERG THINKS CASE APPEARS STRONG, ACCUSATION ABOUT FOREIGN FUNDS HAS NEVER BEEN PROVED, SO TO LAYMAN THERE APPEARS NO WAY TAY CAN ESCAPE CONVICTION. BUT ALL PAST COURT FIGHTS BETWEEN LEE AND OPPOSITION HAVE GONE GOVT'S WAY. SOME THINK GOVT MAY DECIDE TAY IS EXPENDABLE AND GIVE COURTS GREEN LIGHT TO FIND HIM GUILTY -- AIM BEING TO SHOW CRITICS ARE WRONG WHEN THEY SAY GOVT COURT SYSTEM IS GOVT CREATURE. GOVT HAS SAPPED OPPOSITION EFFECTIVENESS AND LEE HAS JAILED MANY OPPONENTS WITHOUT CHARGE OR TRIAL.

7. PHILIPPINES
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MARCOS WELCOMED ARRIVAL MONDAY OF FIRST SHIPMENT OF 17,537 TONS OF CHINESE CRUDE OIL; PRC WILL EXPORT MILLION TONS TO PHILS (UPI, NYDN).

8. THAILAND

THAI KING AND QUEEN, JOINED ESTIMATED 100,000 CONVERGED IN DOWNTOWN BANGKOK MONDAY TO CELEBRATE FIRST ANNIVERSARY OF STUDENT REVOLT THAT BROUGHT DOWN FORMER MILITARY REGIME (UPI, PHINQ). NYT'S MARKHAM, IN BANGKOK, REPORTS FEWER WATCHED CEREMONIES THEN EXPECTED -- IN PART BECAUSE OF SOAKING RAIN THAT FELL EARLIER AND BECAUSE THERE HAD BEEN RUMORS THAT VIOLENCE MIGHT BREAK OUT. PUBLIC JUMPINESS UNDERSCORED UNCERTAIN MOOD ENVELOPING ANNIVERSARY. KING WAS SILENT AND UNSMILING, WHICH SEEMED APPROPRIATE FOR ROLE HE HAS LATELY CHOSEN; WITH "GIFT OF DEMOCRACY LOOKING LESS ATTRACTIVE THAN IT DID A YEAR AGO, HE HAS SUBTLY INTERVENED ON THE NEGATIVE SIDE OF THE ARGUMENT -- TO REMIND HIS PEOPLE NOT TO EXPECT THE MILLENIUM," ACCORDING MARKHAM.

WP'S BURGESS, IN BANGKOK, REPORTS MONDAY CEREMONIES MARKING LAST YEAR'S REVOLT COST MORE THAN 100,000 DOLS AND "WERE APPARENTLY CONDUCTED TO NURTURE ENTHUSIASM FOR CIVILIAN GOVERNMENT AND PARLIAMENTARY DEMOCRACY." SAYS BY GENERAL AGREEMENT, SANYA GOVT "HAS BEEN WEAK AND DIRECTIONLESS," SOLVING FEW OF PROBLEMS OLD MILITARY REGIME LEFT BEHIND; SANYA HAS BEEN POWERLESS TO MAKE NEEDED CHANGES, WHETHER HE WANTED TO OR NOT. THAI ECONOMY REMAINS UNDER CONTROL OF ALLIANCE BETWEEN MILITARY ELITE AND CHINESE-THAI BUSINESSMEN AND FOREIGN CAPITAL; COST OF LIVING IS RISING BY ABOUT 20 PERCENT YEARLY -- RATE SLIGHTLY HIGHER THAN BEFORE GOVT CHANGE; WHILE MANY OF NEW MINISTERS MORE HONEST AND CAPABLE THAN PREDECESSORS, THEY ARE STILL BURDENED WITH WHAT IS

SAID TO BE ONE OF ASIA'S MOST CORRUPT AND SLUGGISH
BUREAUCRACIES.

BURGESS NOTES ABSENCE OF MAJOR FOREIGN POLICY CHANGES
UNDER SANYA, WITH TRENDS SET BY OLD REGIME BEING
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CONTINUED. STUDENT MOVEMENT ENJOYED IMMENSE PUBLIC
ADMIRATION AND SUPPORT YEAR AGO, BUT NOW HAS LOST
MUCH OF IT THROUGH UNENDING ATTACKS ON GOVT AND US.
STILL, THERE ARE SIGNS DEMOCRATIC SPIRIT IS TAKING
ROOT. THAILAND LEADS SEA IN FREEDOM OF PRESS AND
EXPRESSION; WORKERS AND FARMERS ARE BEGINNING TO
ORGANIZE AND DEMAND GREATER SHARE OF COUNTRY'S WEALTH;
MORE REPRESENTATIVE GOVT IS IN OFFICE; AND OCT 14 LEFT
TRADITION THAT PEOPLE CAN MAKE DIFFERENCE IN POLITICS.

COMMENT AND ANALYSIS

9. JAPAN

GLOBE'S STORIN (OCT 14) IN TOKYO, REFERRING TO LAROCQUE'S
REMARKS BEFORE CONGRESSIONAL SUBCOMMITTEE, SAYS TANAKA
CANNOT EASILY SURVIVE EXTENDED NUCLEAR DEBATE DEMANDED
BY OPPOSITION LEADERS, SINCE HIS GOVT IS ALREADY WEAKENED
POLITICALLY BY RAMPANT INFLATION AND EXCESSIVE CAMPAIGN
FINANCING BY BIG BUSINESS.

STORIN NOTES THAT US AND JAPANESE OFFICIALS DENIED
OFFICIALLY THAT US VESSELS WERE BRINGING NUCLEAR WEAPONS
TO JAPANESE PORTS, ADDING THAT FORMAL USG STATEMENT
FRIDAY DID NOT DIRECTLY CONTRADICT LAROCQUE'S TESTIMONY
AS IT APPLIES TO JAPAN. FOR SEVERAL YEARS IT HAS BEEN
RELIABLY REPORTED THAT "TRANSIT" AGREEMENT BETWEEN
US AND JAPAN ALLOWS WEAPONS INTO JAPAN ON TEMPORARY
BASIS, SAYS STORIN. WHILE TENSION OVER NUCLEAR WEAPONS
ISSUE IS REAL, INDICATIONS ARE THAT INTENSITY OF 1960
RIOTS FOLLOWING SIGNING OF SECURITY TREATY OR ANTI-US
PROTESTS OF VN YEARS WILL NOT RECUR. ONLY 4 DAYS AFTER
LAROCQUE STORY BROKE, CARRIER MIDWAY DOCKED AT YOKOSUKA;
AN ESTIMATED 13,000 DEMONSTRATORS TURNED OUT, BUT THERE
WERE NO MAJOR INCIDENTS AND CITY WAS REPORTED TO HAVE
A RELAXED ATMOSPHERE AS THE WEEKEND BEGAN. CONCLUDES
THAT ANTI-MIDWAY DEMONSTRATIONS SCHEDULED FOR THIS WEEK
MAY INDICATE WHETHER JAPANESE NUCLEAR ALLERGY IS BECOMING
LESS TROUBLESOME.

IN OCT. 15 DISPATCH, STORIN SAYS CONTROVERSY OVER US
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NUCLEAR-ARMED WARSHIPS ENTERING JAPANESE PORTS DEEPENED
AMID CONFLICTING US NEWS REPORTS AND GOVT STATEMENT.

JAPANESE NEWSPAPERS GAVE WIDE COVERAGE TO NYT STORY THAT
US AND JAPAN HAVE LONG AGREED TO ALLOW TEMPORARY STORAGE
OF NUKE'S IN JAPANESE PORTS; CREW MEMBERS OF CARRIER
MIDWAY HAD TOLD WP REPORTERS THAT NUKE'S ARE ON BOARD
WHILE BERTHED IN YOKOSUKA; BUT GAIMUSHO SPOKESMAN KURODA
INSISTED THAT NYT REPORT OF SECRET AGREEMENT WAS
ABSOLUTELY GROUNLESS, ADDING THAT GOJ PLANNED NO
SPECIAL INQUIRIES CONCERNING MIDWAY. DOS REFUSED TO
CONFIRM OR DENY NEWS STORIES RELATING TO CONTROVERSY,
BUT ISSUED STATEMENT FRIDAY SAYING US ADHERES TO UNDER-
STANDING ACCOMPANYING 1960 MST WHICH PROVIDES FOR NO
MAJOR CHANGES OF MIL EQUIPMENT WITHOUT "PRIOR CONSULTATION."

STORIN SAYS US STATEMENT DID NOT QUELL THE UPROAR. IT
EMPHASIZED THAT MAJOR CHANGES REFERRED TO EQUIPMENT
OF FORCES STATIONED IN JAPAN. THIS RAISED ISSUE WHETHER
MIDWAY AND OTHER WARSHIPS WERE NOT CONSIDERED DEPLOYED
IN JAPAN.

FROM TOKYO, WSJ'S PEARLSTINE REPORTS PRES FORD'S ECON
PROGRAM AND NUCLEAR WEAPONS PUTTING NEW AND UNEXPECTED
STRAINS ON JAPAN-US ALLIANCE. CITES ECON FORECASTERS
PREDICTING JAPAN WILL REGISTER FIRST DECLINE IN GROWTH
RATE DURING CURRENT FY. SOME JAPANESE BUSINESSMEN AND
GOVT OFFICIALS FEAR FORD'S ECON PROGRAM MAY CAUSE EVEN
FURTHER DECLINE. THEY ARE AFRAID THAT US MAY LIMIT EXPORTS
OF FOOD AND RAW MATERIALS WHILE RESTRICTING IMPORT OF
SOME JAPANESE MANUFACTURED GOODS.

US OFFICIALS ATTEMPTING TO MINIMIZE PROBLEMS AND
REASSURING JAPANESE THAT THERE IS NOTHING WRONG WITH
THE ALLIANCE. AFTER MEETING WITH GOJ OFFICIALS, EBERLE
TOLD PRESS THAT HE ASSURED JAPAN WE WILL SUPPLY ITS NORMAL
CONSUMPTIVE REQUIREMENTS, THAT HE DIDN'T ASK JAPAN TO CUT
OIL IMPORTS AND SAID USG IS SATISFIED THAT JAPAN IS WILLING
TO COOPERATE ON COMMON ENERGY PROBLEMS.

ON OTHER ISSUE, PEARLSTINE SAYS DEPSEC INGERSOLL FAILED
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TO DENY CATEGORICALLY REPORTS THAT US NUKE'S HAVE BEEN
BROUGHT TO JAPAN, LEAVING MANY JAPANESE CONVINCED THAT
US INDEED HAS BROUGHT THEM IN. JAPANESE CONCERN INCREASED

SHARPLY FOLLOWING NYT REPORT THAT SECRET "TRANSIT AGREEMENT" BETWEEN US AND JAPAN PERMITS US TO BRING NUKES TO JAPAN ON AIRCRAFT AND WARSHIPS BUT PROHIBITS STORAGE IN JAPAN.

10. CHINA

LATS'S ELEGANT (OCT 11) DOES ATMOSPHERICS PIECE ABOUT TAIWAN ON DOUBLE TEN. NOTES REFRESHING LACK OF EMPHASIS ON CULT OF CKS PERSONALITY AND RESOLUTE INTENTION NOT TO STRESS SLOGANS ABOUT "RECONQUERING" MAINLAND. STRESS IS NOW ON REMINDING THE WORLD OF THE THRIVING EXISTENCE OF ROC.

THOUGH PROSPEROUS, NATIONALISTS ARE APPREHENSIVE AFTER SO MANY DIPLOMATIC SETBACKS; BUT POLICY-MAKERS NOW SAY, "AS LONG AS WASHINGTON DOES NOT ACTIVELY BECOME ANTAGONISTIC BECAUSE IT WANTS TO PLEASE PEKING, WE CAN GET BY." ELEGANT THINKS ROC COULD WEATHER WITHDRAWAL OF FORMAL US RECONITION; THAT MOVE WOULD CREATE MAJOR DOMESTIC CRISIS OF CONFIDENCE BUT NO CRITICAL EXTERNAL PROBLEMS. THEY COULD NOT SURVIVE WASHINGTON'S DISCOURAGING US INVESTMENT AND COMMERCE - OR ANY OF THE HALF DOZEN OTHER DEVICES BY WHICH AN ANTAGONISTIC US COULD MAKE THEIR LIVES VIRTUALLY IMPOSSIBLE.

ELEGANT OBSERVES SUCH UTTER DEPENDENCE ON US PRODUCING AMBIVALENT ATTITUDE AMONG SENIOR GRC STATESMEN, WHO

FEAR US "SELLOUT" BUT CANNOT REALLY BELIEVE WASHINGTON WOULD TAKE EXTREME MEASURES. STATESMEN THEREFORE STRESS CONTINUING IMPORTANCE OF ISLAND'S EXISTENCE IN DISCUSSIONS WITH BOTH AMERICANS AND RUSSIANS. PREVIOUS POSITIONS OF SUPERPOWERS ON CHINA ISSUE HAVE BEEN REVISED - AND NATIONALISTS ARE PLAYING ON NEW ALIGNMENT.

LAT STAFFER MARLENE CIMONS WRITES FEATURE STORY ON GRC EMBASSY, NOTING IT "HAS NOT BEEN AN EASY TWO YEARS FOR UNCLASSIFIED

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MEMBERS OF THE NATIONALIST CHINESE DELEGATION HERE." AFTER COMMUNISTS ESTABLISHED PRCLO, NATIONALISTS HAVE SEEN ATTENTION SHIFT TO THE NEW ENVOYS, DESPITE FACT THAT GRC ENJOYS FULL DIPLOMATIC RELATIONS WITH US. CITES DOS OFFICIALS THAT THERE'S TREMENDOUS INTEREST IN MAINLAND CHINESE, "AND THE NATIONALISTS ARE SUFFERING IT...AS COUNTRIES BREAK OFF RELATIONS WITH NATIONALISTS AND GO MAINLAND, THE SOCIAL AND OFFICIAL PARAMETERS OF THE NATIONALISTS HAVE TO SHRINK." HOWEVER, CIMONS QUOTES AMB. SHEN: "WE HAVEN'T LOST ANY OF OUR REAL

FRIENDS." CIMONS OBSERVES THAT RULES OF PROTOCOL DO NOT PERMIT SHEN TO INVITE TO HIS EMBASSY THOSE AMBS WHOSE COUNTRIES DO NOT HAVE DIPLOMATIC RELATIONS WITH TAIWAN; BUT FRIENDSHIP CAN OFTEN BE CIRCUMVENTED. SHEN AND JAPANESE AMB OCCASIONALLY PLAY GOLF TOGETHER, USUALLY THROUGH INVITATION OF THIRD PERSON. HE AND HIS WIFE OFTEN INVITE NZ AMB AND HIS WIFE FOR PRIVATE DINNERS, BUT THEY NEVER TALK OF RELATIONS BETWEEN THEIR TWO COUNTRIES. "OFFICIAL RELATIONS TEND TO CHANGE, BUT PERSONAL ONES NEVER DO," SHEN SAYS. HE CLAIMS THAT ATTENDANCE AT DOUBLE TEN CELEBRATION HAS GROWN IN RECENT YEARS.

CIMONS CONTRASTS HOSPITABLE TREATMENT ACCORDED VISITOR TO GRC EMBASSY WITH POLITE BUT FIRM TURN-AWAY OF SAME VISITOR SEEKING APPOINTMENT AT PRCLO. ASSERTS ALSO THAT LOCAL CHINESE COMMUNITY SUPPORTS GRC EMBASSY. KISSINGER

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